

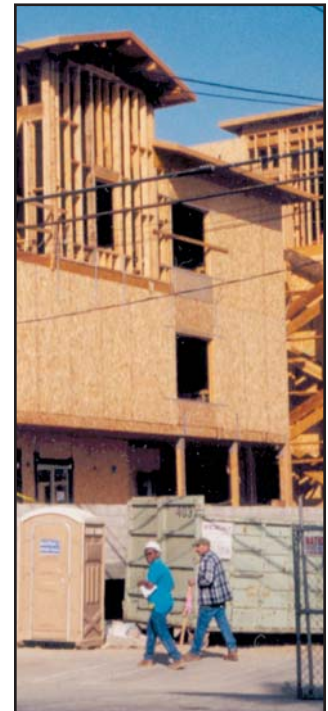
## *V. Implementing the Strategy*

This section summarizes the broad measures that the City will use to implement the City of Villages strategy. Collectively, these measures comprise the Strategic Framework Five-Year Action Plan, a separate document that contains the work program.

### *A. The Strategic Framework Five-Year Action Plan*

The Strategic Framework Five-Year Action Plan is a companion document to the Strategic Framework Element. It outlines the work program proposed to implement the City of Villages strategy. The Action Plan identifies actions to be taken, the “Lead Department(s)” to further the action, whether staff funding is available to work on the item, potential public and private sector partners who should be involved, and which action items have the highest priority for implementation. Major action items identified in the Action Plan include updating other elements of the General Plan and the City’s community plans. It also recommends actions to re-examine, revise, and create new City policies, regulations, standards, and processes to be consistent with the Element. In addition, the Action Plan directs that a financing strategy be prepared and new revenue sources be secured to implement key components of the Strategic Framework Element, such as infrastructure improvements and increased village amenities. Finally, the Action Plan will measure progress toward attainment of 2020 Housing Goals by Community Planning area, Sustainable Community Program Indicators, and individual Action Items.

The Action Plan recommends a heightened level of inter-departmental and agency cooperation, and greater partnerships with the development industry and citizen groups. These partnerships will be needed to increase joint use of public facilities, phase in the Transit First plan, streamline permits, and increase equitable access to educational and job opportunities, among other efforts. Partnerships are also essential to increase the supply of affordable, or workforce, housing. This housing is needed to reach the City’s balanced communities, social equity, and economic prosperity goals.



## *B. Update Adopted Land Use Plans and Policies*

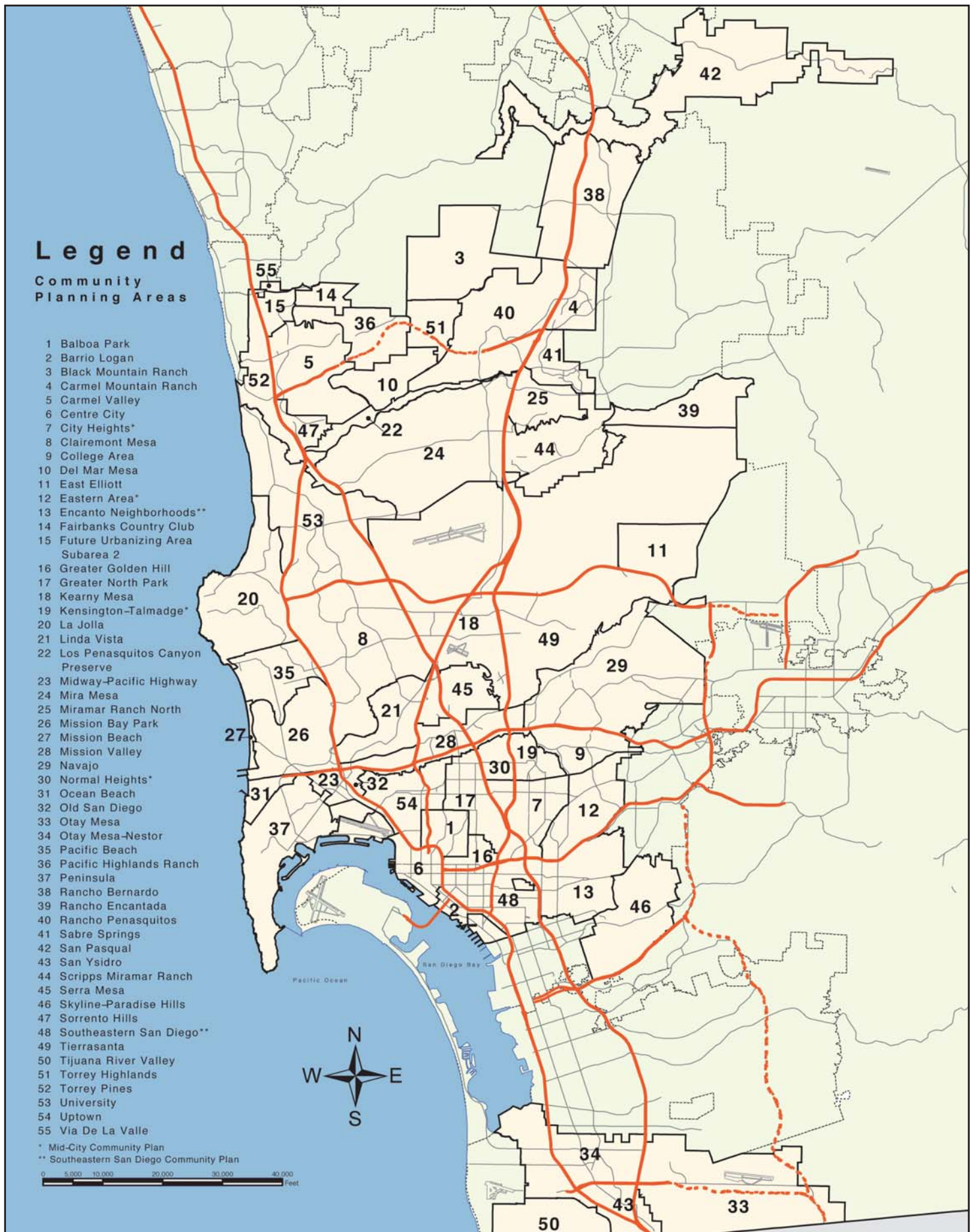
A Land Use Element will be prepared to identify community plans as components of the General Plan, and to provide guidance on the framework and content of community plans. The adopted community, specific and precise plans address the development of land within the City of San Diego's jurisdiction and provide more detailed land use, design, roadway and implementation information than is found at the general plan level. Such a structure recognizes the diversity of each of San Diego's community plan areas while allowing the General Plan to focus upon citywide development issues.

All of the City's adopted land use plans must be consistent with the overarching goals, objectives and policies of the General Plan. Because no one element may take precedence over another, internal consistency is required. Although community plans will be updated or amended to reflect the goals and policies in the General Plan, the opportunity exists for each community to be the "architect" of its own distinct village(s). Additionally, the General Plan includes (general) provisions related to noise, seismic safety and other issues that apply to the entire City, although an individual community plan may not specifically address these issues.



# Community Planning Areas

This map added after the June 2002 Draft.





## *C. Develop Financing Strategies*

A financing strategy will be developed to identify potential municipal funding sources for new and upgraded public facilities. It would take a state constitutional amendment to permanently return to the City the substantial portion of property taxes and subventions that were shifted to state control and allocation in the 1980s and 1990s. Until such action occurs, the City is faced with significant and increasing shortfalls in providing public facilities and infrastructure.

As of 2002, the revenue shortfall required to fund and construct facilities for development under current community plans is an estimated 2.5 billion dollars. The City of Villages strategy focuses revenue first on communities that have a demonstrated need. This citywide prioritization will be followed by the determination of priorities on a community-by-community basis and tailoring standards to meet specific community needs.



The Finance Subcommittee of the Strategic Framework Citizen Committee identified four approaches toward achieving the needed City infrastructure and public facilities. These four approaches complement each other and should be pursued concurrently. ~~are prioritized in the following summary.~~

1. **Fiscal reform at the state and local level** - Especially critical is the need to address the inequitable redistribution by the state of property tax proceeds that renders the City of San Diego share well below that of the other large California cities, including San Francisco and Los Angeles. The potential for greater use of redevelopment as a tool should also be considered, including reexamining

the ways that redevelopment dollars are allocated to neighborhoods, as well as new legislative approaches for tax increment financing to assist funding of public facilities. Other mechanisms that can be useful as local community funding sources include assessment districts, community facility districts, and Community Development Block Grants. Local community funding could be employed to partially match citywide investment for certain community facilities.

2. **“Regionalization” of infrastructure expense** - Greater steps should be taken toward “regionalization” of the infrastructure expense borne by the citizens of the City of San Diego. For example, to the extent the City is able to achieve transit-oriented development, an enhanced amount of regional transportation funding should be forthcoming in support of such regionally beneficial land use and transportation patterns.
3. **Efficient use of shared resources** - The efficient use of shared resources can help the City provide facilities needs. Coordination between the City and other local agencies, including schools districts, the parks and recreation and library systems, and utility providers can create or enhance opportunities for the joint use and functioning of public facilities and activities.
4. **Additional user fee and revenue measures** – In addition to pursuing the above approaches, user fee and revenue options should be considered in order to make funding available for needed facilities. A portion of general fund dollars currently used by the City for other purposes, such as residential trash collection, could be replaced by user fees similar to the fees applied by all other cities in the region. The Finance Subcommittee reviewed the findings of an independent municipal financial advisor, which led to completion of a facilities financing study. The resulting City of San Diego Financing Study concluded that there are several major revenue options available. The financial advisor has projected the need for an annual revenue stream of \$95 million to finance and build the facilities within the 20-year planning horizon. It could be carried out by the flexible application of some mix of these identified sources, and financed through the use of bonding, based on a “quality of life” or similar measure before the voters. This would allow the City to leverage the revenue stream.  
~~**Additional user fee and taxation measures**—Once the above approaches have been pursued to the extent possible, additional user fee and taxation measures should be considered in order to rectify remaining shortfalls. The Finance Subcommittee reviewed the findings of an independent municipal finance advisor, and concluded that there are several major revenue options that merit review by the City. These include:~~



- ~~• **General Obligation Bonds** requiring a 2/3 property tax override vote – This mechanism can identify very specific, project level uses for the funding that the electorate is being asked to vote on.~~
- *Residential Refuse Collection fee requiring a majority vote* – A refuse collection fee is applied by all other cities in the region, as well as by the County of San Diego in the unincorporated area. It could generate over \$30 million annually to the City's general fund at the moderate monthly rate of \$9.00 for residences currently served by the City collection.
- *Utility User tax* – Most similar cities in the state apply a utility users tax. This funding source, requiring a majority vote, could generate over \$18 million annually for each 1 percent levied.
- *Transient Occupancy tax* – The hotel room tax in San Diego, if increased by a majority vote to within one percentage point (from 10.5% to 13%) of that applied by the cities of Los Angeles and San Francisco (both 14%), could generate an additional \$23 million in revenue.
- *Real Property Transfer tax* – Increasing by majority vote the real property transfer tax to a moderate level, below that of San Francisco, ~~and Oakland, and Los Angeles,~~ to ~~\$4.50~~ \$2.75 per \$1000 of sale valuation; ~~the same rate applied by Los Angeles,~~ could generate about ~~\$21~~ \$38 million annually.

In addition to the five types of revenue measures recommended for consideration above, options that could also be considered include other types of Cost Recovery fees, greater use of Temporary Taxes (for example, the TransNet transportation sales tax is currently a 20-year voter approved revenue), and Business License Fees on a par with other major cities. Infrastructure Assessment Districts could provide for specific improvements in communities or other subareas, and consideration of Port Revenue may arise if there is a change or consolidation of agencies associated with legislative proposals involving regional governance that may become relevant. There remain additional measures, such as reinstatement of Right-of-Way fees for the placement of water and sewer lines that generated \$14 million five years ago, and have since been phased out. These and other potential measures remain as potential options for consideration.

## *D. Phasing Future Development*

The growth management program, the predecessor of the City of Villages strategy, divided the City geographically into three tiers or phases of growth: Urbanized, Planned Urbanizing, and Future Urbanizing areas (see Section VII.B for a more detailed description of the tier program). In 1997, the City Council adopted the Multiple Species Conservation Program that established a Multiple Habitat Planning Area (MHPA). The MHPA defines natural open space lands to be preserved.



As of 2002, most of the City falls within either the Urbanized or Planned Urbanizing area tiers. Many of the older Planned Urbanizing areas such as Mira Mesa and Rancho Bernardo have reached plan build-out, and are beginning to experience limited redevelopment.

In 1985, the electorate adopted Proposition A, an initiative amending the *Progress Guide and General Plan* to require approval of majority vote of the people for phase shifts from Future Urbanizing to Planned Urbanizing Area. The ballot measure further provided that the “provision restricting development in the Future Urbanizing Area shall not be amended except by majority vote of the people except for amendments which are neutral or make the designation more restrictive in terms of permitting development.” The full text of the initiative is included in the Strategic Framework Element as Appendix A.

Proposition A continues to apply to properties that are not candidates at this time, or maybe anytime, for urban or suburban levels of development. Those properties are subject to the provisions of Proposition A that require a majority vote of the people to amend any of the provision restricting development in the Future Urbanizing area. The Future Urbanizing Areas include military and other lands not subject to the City's jurisdiction. In the past, the City Council has chosen to follow the development intensity restrictions and phase shift vote requirement specified in Proposition A upon receipt of jurisdiction over former military installations. If and when additional military and other areas become subject to the City's jurisdiction, planning for reuse should follow a public planning and voter approval process. It may include an amendment to the General Plan to address the land use distribution and village locations, if any. ~~The City will develop an alternative development phasing proposal after adoption of the Strategic Framework Element to implement the City of Villages strategy while maintaining compliance with Proposition A. Until that alternative phasing proposal is adopted, Sections VII through X of the *Guidelines for Future Development, Managing Growth Through the Tier System*, will still apply.~~

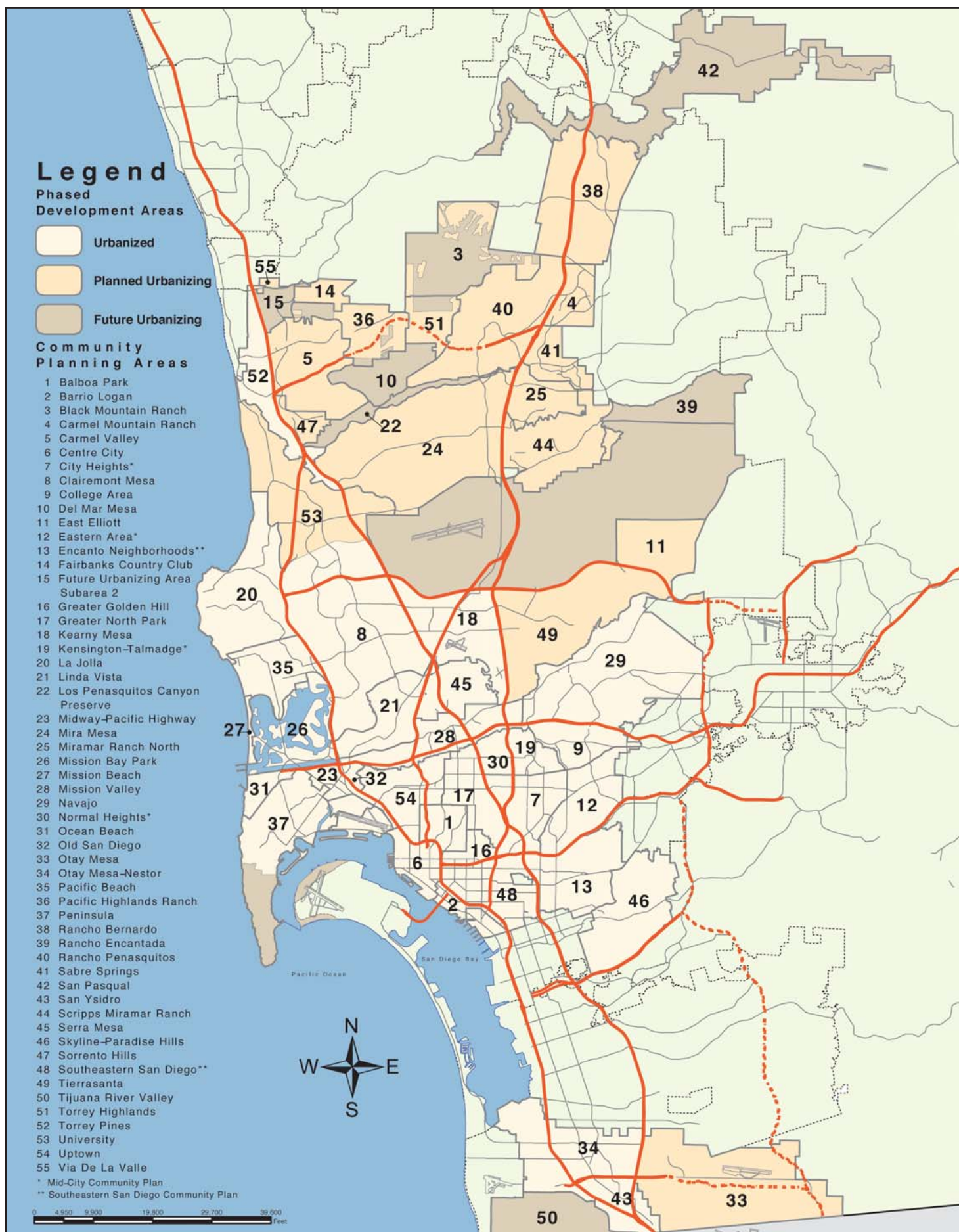
The City will develop an alternative development phasing proposal to address all of the tiers after adoption of the Strategic Framework Element to implement the City of Villages strategy while maintaining compliance with Proposition A. Until that alternative phasing proposal is adopted, Sections VII through X of the *Guidelines for Future Development, Managing Growth Through the Tier System*, will continue to apply. These sections address the phasing of development concurrent with the provision of public facilities and infrastructure, and also include the Phased Development Areas map and the Community Planning Areas map.

The Future Urbanizing Areas also include military and other lands not subject to the City's jurisdiction. In the past, the City Council has chosen to follow the development intensity restrictions and phase shift vote requirement specified in Proposition A upon receipt of jurisdiction over former military installations. If and when additional military and other areas become subject to the City's jurisdiction, planning for reuse should follow a public planning and voter approval process. It may include an amendment to the General Plan to address the land use distribution and village locations, if any.



# Phased Development Areas

This map added after the June 2002 Draft.



## *1. Prospective Annexation Areas*

The City of San Diego plays a leading role in regional planning. This role includes working with other jurisdictions and agencies in refining the City's boundaries. The expansion of City boundaries can help discourage urban sprawl by providing organized and planned growth, the efficient delivery of urban services, such as police, fire, water and sanitation, and the preservation of open space. By discouraging sprawl, the City can limit the misuse of land resources and promote a more cost-efficient delivery of urban services. Both the State and County support the expansion of cities to provide urban services, rather than the expansion of special districts.

Under the authority of the State, the Local Area Formation Commission (LAFCO) regulates, through approval or denial, any boundary changes proposed by a city. Although LAFCO does not have the power to initiate boundary changes on its own, LAFCO coordinates the orderly development of a community through reconciling differences between city and county plans, so the most efficient urban service arrangements are created for the benefit of area residents and property owners.

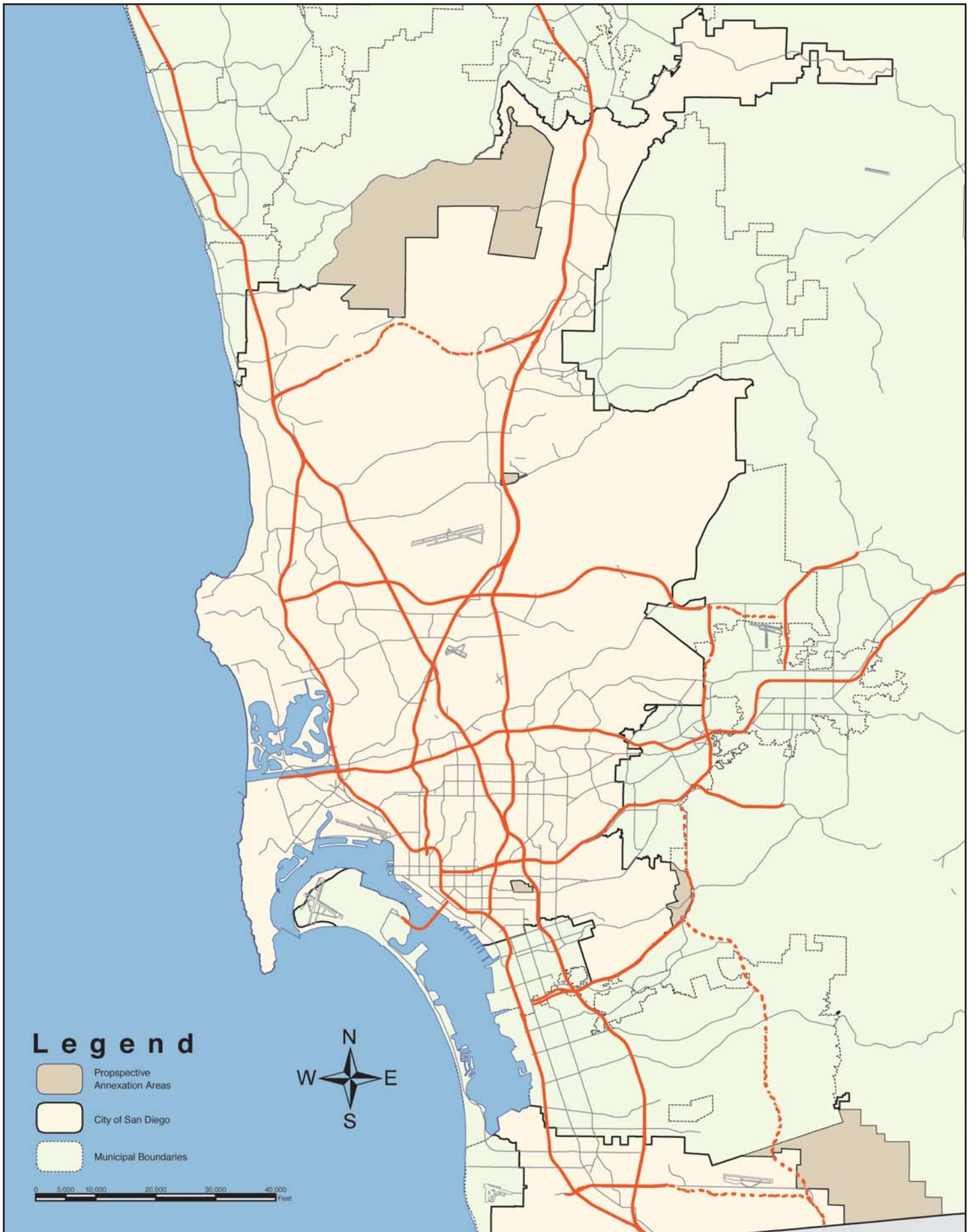
A "Sphere of Influence" which is used to determine the most logical and efficient future boundaries for cities, is the physical boundary and service area that a city is expected to serve. In 1985, LAFCO determined the City of San Diego's Sphere of Influence to be co-terminus with its jurisdictional boundaries. It is still in the City's interest, however, to identify prospective annexation areas for long-range planning purposes to: avoid duplication of services with special districts, promote a more cost-efficient delivery of urban services to both existing areas that already have urban services and future development areas that require urban service extensions from contiguous City areas, and promote orderly growth and development and preserve open space, as necessary, on its periphery. These areas shown on the Prospective Annexation Areas map include both islands of unincorporated land within the City, and unincorporated areas that share common geographic features and are bordered by the same natural boundaries as the contiguous City area.

See Appendix B for a more detailed description of the annexation process.



# *Prospective Annexation Areas*

This map added after the June 2002 Draft.



## *E. Pilot Villages*

The Five-Year Action Plan calls for the City of Villages strategy to be implemented on a pilot basis in approximately three targeted areas. The Pilot Village program will demonstrate how a village can be built, and how it will evolve and function depending on the neighborhood and community in which it is sited. The City Council will choose the sites based upon the results of a two-part selection process. The City will partner with communities, other agencies, and private developers to implement the City of Villages strategy, in a timely fashion, in these locations. It is hoped that this process will serve as a catalyst in the development and evolution of villages around the City.

## *F. Interim Transit-Oriented Development Design Guidelines*



As an interim measure until affected community plans are amended, elements of the Transit-Oriented Development (TOD) Design Guidelines will be incorporated into the project design of all designated village areas on the Strategic Framework City of Villages Map where a discretionary permit is already required. The TOD guidelines will not supercede the land use or density recommendations of the applicable community plan. The Transit-Oriented Development Design Guidelines were approved by the San Diego City Council on August 4, 1992, by Resolution No. R-280480. The guidelines were created to reduce automobile dependence, improve air quality, and create pedestrian-oriented, interactive neighborhoods. A TOD is a compact land use pattern with housing, public parks and plazas, jobs, and services located along key points on the transit system. Applying the TOD design principles will help preserve opportunities to realize the walkable village centers envisioned in the City of Villages strategy in the short term.